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CC:IT&A:4/SSpielman

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Regional Technical Coordinator  
Mid-Atlantic Region

Assistant Chief Counsel (Income Tax and Accounting)  
CC:IT&A:4 TCR 17,895

Technical Coordination Report Submitted by:  
Mr. Charles Ott  
Philadelphia District

Recommending: Reinstatement of the deduction for two-earner  
married couples (repealed section 221).

Mr. Ott wants the deduction for two-earner married  
couples reinstated. This deduction was eliminated when the  
Tax Reform Act of 1986, section 131(a), 1986-3 (Vol.1) C.B.  
30, repealed section 221 of the Internal Revenue Code.

As Mr. Ott correctly points out in an attachment to his  
technical coordination report, at certain income levels the  
tax liability of a two-earner married couple is greater than  
the aggregate tax liability of two heads of households or  
single people living together. Reinstating the deduction for  
two-earner married couples would mitigate or cure what Mr. Ott  
and others regard as an inequity.

Changing the taxation of two-earner married couples  
would, of course, require congressional action. Such action  
is unlikely in the near future, according to the Legislative  
Affairs Division. We are not optimistic, therefore, that the  
tax burden on two-earner married couples will be reduced in  
the manner Mr. Ott recommends, despite the merit of Mr. Ott's  
suggestion.

We are grateful for Mr. Ott's initiative in submitting  
his report and hope that he will continue to provide us with  
his ideas. We have attached copies of this memorandum for the  
District Technical Coordinator, Mr. Ott, and other interested  
persons.

Assistant Chief Counsel (Income Tax &  
Accounting)

~~George Baker~~

By \_\_\_\_\_  
George B. Baker  
Assistant to the Chief, Branch 4

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